

BIG FIVE PRODUCTS WORKERS UNION-CLP, PETITIONER, VS. COURT OF INDUSTRIAL RELATIONS, BIG FIVE PRODUCTS AND/OR PAULA RICARO, RESPONDENTS.

G.R. No. L-17600. July 31, 1963

Ponente: CONCEPCION, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/721e6e6c425c/>

CONCEPCION, J.:

Appeal by certiorari, taken by the Big Five Products Workers Union CLP, from a resolution of the Court of Industrial Relations, sitting en banc, setting aside decision of one of its Judges and ordering respondents Big Five Products and Paula Ricaro:

"* * * to cease and desist from interfering with, restraining and coercing their employees in the exercise of their rights guaranteed under Section 3 of the Act, dismissing an employee who is about to give testimony under the Act, and discriminating against the members of the complainant union in regard to hire or tenure of employment and the terms and conditions of employment purposely to discourage membership in said union; and * * * to reinstate Chona Avila, Luisa Escalera, Purificacion Sillos, Macaria Peregrino and Perlito Palomata, immediately to their former or substantially equivalent positions without backpay."

The basic facts are set forth in said resolution from which we quote:

"1. The Big Five Products is engaged in the business of packing vegetable oil under the management of Paula Ricaro.

"2. On November 18, 1956 some of the employees of the Big Five Products held a meeting for the purpose of organizing a union and, as in fact, they organized the complainant Big Five Products Workers Union and elected its officers, namely, Mansueto Martires as president, Chona Avila as vice-president, Luisa Escalera as secretary, Purificacion Sillos as treasurer, and Macaria Peregrino as auditor. Said officers began to solicit signatures for membership in the union from other employees of the company.

"3. On December 3, 1956, Manager Paula Ricaro dismissed the aforementioned union officers Chona Avila, Luisa Escalera, Purificacion Sillos and Macaria Peregrino.

"4. On February 16, 1957, Perlito Palomata was sitting beside Paula Ricaro in the factory when an old man handed him a subpoena and requested him to affix in it his signature. Paula advised Palomata not to testify before the Court, otherwise she would dismiss him from her job. In spite of this threat, Palomata assured the manager that he would testify. On February 26, 1957, Palomata was dismissed.

"5. On January 1, 1957, all the union members, including the four above-named union officers who had been living inside the factory's premises since the start of their employment therein, were directed to leave the factory's premises and to look for some other place. They were advised that they would be allowed to work only for 3 days in a week and receive daily wages. In fact, workers not members of the complainant union were allowed to work every day receiving monthly salary, while union members were only given 3 days of work, at most, in a week on daily basis."

As a consequence, on March 26, 1957, the Big Five Products Workers Union-CLP instituted this case in the Court of Industrial Relations by filing a complaint charging said respondents—in the language of the aforementioned decision—with:

"* * * unfair labor practice acts as set forth and defined in Section 4(a), (1), (4) and (5) of Republic Act 875, in having allegedly committed between December, 1956 to February 1957, the following: by interfering with, restraining and/or coercing its employees in the exercise of their rights to self-organization guaranteed under Section 3 of the Act; by discriminating against the members of complainant union with regards to hire or tenure of employment and the terms and conditions of their employment; by dismissing Chona Avila, Luisa Escalera, Purificacion Sillos and Macaria Peregrino, because of their union affiliation and/or activities; and by, likewise, dismissing Perlito Palomata for being about to give testimony in the preliminary investigation of this case.

"In answer, respondents denied all the material allegations in the complaint and averred that the alleged union membership and/or activities of Chona Avila, Luisa Escalera, Purificacion Sillos and Macaria Peregrino had nothing to do with their dismissals. It is also alleged that the dismissal of Perlito Palomata had no connection whatsoever with his dismissal. Respondents further state that the dismissals of the aforecited persons were due to valid, sufficient and justifiable causes."

In due course, the trial Judge rendered a decision dismissing the case "for lack of substantial evidence to sustain the charges of alleged unfair labor practice against herein respondents and for lack of merit." However, on motion for reconsideration of petitioner herein, the Court en banc found that the charges had been duly established, and, accordingly, issued the resolution above referred to. This notwithstanding, petitioner Union seeks a review of the aforementioned resolution, insofar as it denies back pay to Chona Avila, Luisa Escalera, Purificacion Sillos, Macaria Peregrino and Perlito Palomata, upon the theory that having found the respondents guilty of unfair labor practices, by dismissing said employees, owing to the union activities of the first four and the testimony of the last for petitioner herein at the preliminary investigation of this case, despite the advise to the contrary given by respondent Paula Ricaro, as manager of respondent Big Five Products—which, being supported by substantial evidence, may not be reviewed in this appeal by certiorari—the lower court should have, also, awarded back pay to said dismissed employees.

Said court maintains that it should not have been made party in this appeal by certiorari, and that, at any rate, it has the authority to order "reinstatement without back wages. Respondents Big Five Products and Paula Ricaro, in turn, filed a motion to dismiss the petition for certiorari upon the ground that the same does not raise any question of law or allege abuse of discretion on the part of the lower court. For obvious reasons, we deferred action on this motion for dismissal until the determination of the case on the merit. Thereupon, said respondents filed their answer maintaining that the discretion of the lower court to order reinstatement without back pay has been upheld in several cases, citing *National Labor Union vs. Zip Venetian Blind, et al.*, L-15827-16828 (May 31, 1961), which, in turn, relied upon *Union of Philippine Education Employees vs. Philippine Education Co.*, 91 Phil., 93 (March 31, 1952), *Antamok Goldfields Mining Co. vs. CIR* (70 Phil., 340), and *United Employees Welfare Association vs. Isaac Peral Bowling Alleys*, 104 Phil., 640 (September 30, 1958), aside from section 5, paragraph (c), of Republic Act No. 875. In fact, said view was reiterated in *Dinglasan vs. National Labor Union*, 106 Phil., 671 (November 28, 1959), *Confederated Sons of Labor vs. Anakan Lumber Company*, 107 Phil., 915 (April 29, 1960), and *Freeman Shirt Manufacturing Co., Inc. vs. CIR*, 110 - Phil., 962 (January 28, 1961).

It should be noted, however, that the employees or laborers involved in the foregoing cases were dismissed by their respective employers under the belief in good faith that a closed-shop provision in their corresponding collective bargaining contracts applied to all laborers and/or employees without distinction—regardless of whether they were already working for the employer when the agreement was entered into or were engaged subsequently

thereto—and, consequently, gave the employer no other choice, which this Court found to be erroneous, said provision being prospective in its operation and, as such, applicable only to those who began to work for the employers after the execution of said contracts, not to the aforementioned employees or laborers, they being already in the employer's service prior thereto. In other words, there were in said cases explicit findings on the existence of a fact—good faith on the part of the employer—which was considered sufficient to warrant exemption from the payment of back wages, despite the reinstatements therein decreed.

Such, however, is not the situation obtaining in the case at bar. The resolution appealed from does not mention any fact which may justify the granting of a similar exemption to respondents herein. What is more, the Court of Industrial Relations en banc found that said respondents had dismissed Chona Avila, Luisa Escalera, Purificacion Sillos, Macaria Peregrino and Perlito Palomata, because the latter had testified for petitioner herein at the preliminary investigation of this case, and the first four had engaged in union activities, and that respondents are, therefore, guilty of unfair labor practices with malice aforethought. Although Section 5, paragraph (c), of Republic Act No. 875 empowers the Court of Industrial Relations to order the employer convicted of unfair labor practices to reinstate the victims thereof "with or without back pay," this authority must be availed of in accordance with the dictates of justice, reason and equity. And, even if said legal provision were deemed to confer discretion, the same is neither unlimited, nor arbitrary, capricious, inquisitorial or oppressive in nature, but a sound, legal discretion, limited by the evident purpose of the law (*Mechem, Public Officers*, ser. 513, p. 337; *Lamb vs. Phipps*, 22 Phil. 540; *Araneta vs. Rodas*, 81 Phil. 506; *panada vs. Cuenco*, L-10520, February 28, 1957 ; *Wilson vs. Eureka City*, 173 U.S. 32; *Yick Wo vs. Hopkins*, 188 U.S. 356), which, in the Industrial Peace Act (R.A. No. 875), is to assure the freedom of laborers and employees to engage in union activities, by prohibiting the performance of acts constituting unfair labor practices.

Hence, under conditions analogous to those existing in the present case, this Court has ordered the reinstatement with full back pay of the laborers and/or employees adversely affected by unfair labor practices in *Compania Maritima vs. United Seamen's Union of the Philippines* 104 Phil., 7 (June 20, 1958), *Talisay-Silay Milling Co., Inc. vs. CIR*, 106 Phil., 1081 (January 30, 1960) *Velez vs. PAV Watchmen's Union* , 107 Phil., 689 (April 27, 1960), *Cano vs. CIR*, 109 Phil., 1086 (October 31, 1960), *Henares & Sons vs. National Labor Union*, G.R. No. L-17535 (December 28, 1961), *Allied Workers Association of the Philippine (AWA) San Carlos Chapter vs. Philippine Land-Sea-Air Labor Union (PLASLU) et al.*, G.R. No. L-15447-48 (January 31, 1962), and *MD Transit & Taxi Co., Inc. vs. De Guzman*, No. L-18810 (April 23, 1963). We find no plausible reason to depart from the view adhered to in these cases, which is fully in accord with the spirit and purpose of the Industrial Peace Act.

Wherefore, the resolution appealed from should be as it is hereby modified, in the sense that the reinstatement therein ordered shall be with full back pay, and, in all other respects, said resolution is hereby affirmed, with costs against respondents Big Five Products and Paula Ricaro. It is so ordered.

Bengzon, C. J., Padilla, Bautista Angelo, Labrador , Reyes, J. B. L., Barrera, Paredes, Dizon, Regala, and Makalintal, JJ., concur.

EXCERPT FROM THE MINUTES OP SEPTEMBER 19, 1963

"Wherefore, the resolution appealed from should be as it is hereby modified, in the sense that the reinstatement therein ordered shall be with full back pay, and that the Union members who were the object of the discrimination in regard to the terms and conditions of employment by reason of their union activities shall be paid to them in consequence of the discrimination and the compensation they would have received had no such discrimination

taken place, it being understood, however, that whatever earnings the dismissed employees and those discriminated against may have received from other employments during the period of their dismissal and of said discrimination, shall be deducted from their back pay and differential pay respectively, for which reason the case is remanded to the Court of Industrial Relations for the reception of evidence on, and the determination of, the amounts due to the Union members concerned. In all other respects, said resolution is hereby affirmed, with costs against respondents Big Five Products and Paula Ricaro.

Resolution of the Court of Industrial Relations further modified.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.